

This Instrument Prepared By and Return To:
H. Lee Shaw, P. C.
6075 Poplar Avenue, Suite 420
Memphis, TN 38119
901-767-8000

pa 10/31/05 12:11:58
p BK 2,341 PG 71
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

CONSTRUCTION DEED OF TRUST

THIS CONSTRUCTION DEED OF TRUST SECURES FUTURE OBLIGATORY ADVANCES AND IS FOR COMMERCIAL PURPOSES. FURTHER, THIS DEED OF TRUST IS ENTERED INTO PURSUANT TO A LOAN AGREEMENT.

THIS INDENTURE made and entered into this 21st day of October, 2005, by and between **LOUIE WATKINS AND WIFE, JUDITH WATKINS**, Borrower, and **EUGENE WEIMER**, 6200 Poplar Avenue, Memphis, TN 38119, Trustee.

WITNESSETH: That for and in consideration of Five Dollars Cash in hand paid by the Trustee to the Borrower, and the debt and trusts hereinafter mentioned, said Borrower has bargained and sold and does hereby bargain, sell, convey and confirm unto the said Trustee the following described real estate situated and being in DeSoto County, Mississippi, to wit:

Lot 157, Phase III, Section H, The Lakes of Delta Bluffs, PUD, situated in Sections 26 and 27, Township 1 South, Range 9 West, DeSoto County, Mississippi, as per plat thereof recorded in Plat Book 82, Pages 17-18, in the Office of the Chancery Clerk of DeSoto County, Mississippi.

Being the same property conveyed to Borrower by Warranty Deed recorded in the Chancery Clerk's Office of DeSoto County, Mississippi, in Book 472, Page 454.

TOGETHER WITH all fixtures appurtenant thereto, which shall include all items of tangible personal property insofar as they now are or may hereafter belong to or be used with the premises or any building or improvements or which are reasonably necessary to the use of the premises, all of which shall be deemed to be affixed to and to be a part of the above described real estate and shall be subject to the lien hereof and a part of the security for the indebtedness herein mentioned.

TO HAVE AND TO HOLD, the aforescribed real estate, together with all the hereditaments and appurtenances thereunto belonging or in any wise appertaining unto said Trustee, his successors and assigns, in fee simple forever, and the said Borrower does hereby covenant with the said Trustee, his successors and assigns, that he is lawfully seized in fee of the aforescribed real estate; that he has a good right to sell and convey the same; that the same is unencumbered except for first lien deed of trust of record in Book 2235, Page 423 and second lien deed of trust of record in Book 2235, Page 445, both recorded in the Chancery Clerk's Office of DeSoto County, Mississippi, and that the title and quiet possession thereto he will and his heirs and personal representatives shall warrant and forever defend against the lawful claims of all persons.

But this is a Deed of Trust, and is made for the following uses and purposes, and none other; that is to say: that the Borrower is now indebted to **REGIONS BANK** and, in the future may incur additional indebtedness to said Bank, and this Trust Deed is made to secure the full, prompt and final payment of any and all such indebtedness, including principal, interest, attorneys' fees and costs as well as the expense of administering this trust, all as may be provided herein or in instruments evidencing such indebtedness, whether such indebtedness is now or hereafter owing, or hereafter incurred by Borrower both by way of future loans by said Bank to Borrower and arising out of Borrower's present or future liability to said Bank or to the holders of the note or owners of the indebtedness secured hereby, in Borrower's capacity as endorser, guarantor, surety, security for others, or otherwise, and whether or not such indebtedness is evidenced by written instrument and whether or not specifically described herein, and specifically, but not limited to, the following purpose, to wit:

The Borrower is justly indebted to **REGIONS BANK**, or the holder of the note and owner of the indebtedness hereinafter mentioned, in the sum of Two Hundred Six Thousand Three Hundred and no/100 Dollars (\$206,300.00) evidenced by that certain unconditional guarantee of even date herewith (the "Guarantee") guaranteeing the obligations of W Destiny LLC, (the "LLC") a Tennessee limited liability company, arising from that certain U.S. Small Business Administration Note in the amount of \$206,300.00, with a final maturity date of April 21, 2013.

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
- b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

The proceeds of said promissory note shall be advanced pursuant to that certain Loan Agreement of even date herewith, by and between said Bank and the LLC (the "Loan Agreement"). The terms and conditions of the Loan Agreement are hereby incorporated in this Deed of Trust by reference and the full and prompt performance by the LLC of each and every obligation set forth therein is hereby declared to be secured by this Deed of Trust. Any default in the Loan Agreement shall be a default in this Deed of Trust.

The Borrower desires to secure and make certain the payment of any and all of the indebtedness as above defined, and of any and all renewals and extensions thereof. Now, therefore, the Borrower agrees and binds himself that so long as any part of the indebtedness, present and future, aforesaid shall remain unpaid, he will pay all taxes and assessments against said property promptly when due, and deposit all tax receipts with owner of the greater portion of the outstanding indebtedness secured hereby; will insure the buildings on said property for not less than the lesser of (1) the insurable value thereof or (2) the total indebtedness secured by mortgages, deeds of trust or other security instruments encumbering the aforescribed real estate against loss or damage by fire and the perils against which insurance is afforded by extended coverage endorsement in some insurance company or companies approved by owners of the greater portion of the outstanding indebtedness secured hereby, cause said policies to contain a standard mortgage clause in favor of owners of said indebtedness and deposit said policies with owner of the greater portion of the outstanding indebtedness secured hereby as further security for said debt; will protect the improvements on said property by proper repairs, and maintain them in good repair and condition; will not do anything or suffer or permit anything to be done whereby the lien of this Deed of Trust might or could be impaired; will pay such expenses and fees as may be necessary in the protection of the property and the maintenance and execution of this trust, including, but not being limited to, expenses incurred by the Trustee in any legal proceeding to which he is made or becomes a party. The net proceeds resulting from the taking of all or any part of the property by eminent domain, or from the sale in lieu thereof, shall be applied upon the indebtedness in inverse order of its maturity; and in the event of the destruction of the improvements by fire or other casualty, the net proceeds of the insurance shall be applied upon the indebtedness secured hereby in inverse order of its maturity, or at the option of the holder, its heirs and assigns, such proceeds may be used to restore the improvements to their former condition.

The owner of any part of the indebtedness aforesaid may, at its option, advance and pay such sums as may be proper to satisfy taxes, maintain insurance and repairs, and protect and preserve the property; and such amounts so paid shall be held and treated as part of the expense of administering this trust, shall be repaid on demand with interest at the highest rate legally chargeable on the dates of the advances by the owner making such advances and payments and shall be secured by the lien of this Deed of Trust.

In the event of any default in any of the terms and conditions of any deed of trust, or other express encumbrance, the lien of which may be or become prior and paramount to the lien of this instrument, then in every such event the owner of any part of the indebtedness secured by this instrument may at its option, declare the indebtedness secured by this instrument due for all purposes, and foreclosure may be had hereunder as in the case of any other default hereunder. The owner of any part of the indebtedness secured hereby may, at its option, advance and pay any such sum or sums as shall be necessary in order that the terms and conditions of any deed of trust, or other express encumbrance, the lien of which is then prior and paramount to the lien of this instrument, may be complied with, and such amounts so paid shall be repaid on demand with interest from the dates of such payments at the highest rate legally chargeable on the dates of such payments by the owner making such advances and payments, and shall be treated as part of the expense of administering this trust and shall be secured by the lien of this Deed of Trust; and the advancement of such sum or sums shall in no way limit or bar the aforesaid option to accelerate said indebtedness.

If the said Borrower shall pay all indebtedness secured hereby when due, and shall pay such sums as shall be necessary to discharge taxes and maintain insurance and repairs and the costs, fees and expenses of making, enforcing and executing this trust, when they shall severally be due and payable, then this conveyance shall become void, and the owner of the indebtedness shall execute proper deed of release or enter marginal satisfaction of the record of this deed of trust, or in the alternative, the Trustee may reconvey by

quitclaim the property herein described, all at expense of said Borrower.

But if said Borrower shall fail to abide by the terms and conditions of the Note, the Loan Agreement, this Deed of Trust and/or any other related instrument, shall fail to pay any part of said indebtedness, whether principal or interest, promptly when the same becomes due, or shall fail to pay any sum necessary to satisfy and discharge taxes and assessments before they become delinquent, or to maintain insurance or repairs, or the necessary expense of protecting the property and executing this trust, then, or in either event, all of the indebtedness herein secured shall, at the option of the owner of any of said indebtedness and without notice, become immediately due and payable, principal and interest, and the said Trustee is hereby authorized and empowered to enter and take possession of said property, and before or after such entry to sell the Property conveyed to satisfy the indebtedness at public outcry to the highest bidder for cash, free from equity of redemption, statutory right of redemption, homestead, and all other rights and exemptions of every kind, all of which are hereby expressly waived. Sale of the Property shall be advertised for three consecutive weeks preceding the sale in a newspaper published in the county where the Property is situated, or if none is so published, then in some newspaper having a general circulation therein, and by posting a notice for the same time at the courthouse of the same county. The notice and advertisement shall disclose the name of the original Borrower in this Deed of Trust. Borrower hereby waives the provisions of Section 89-1-55 of the Mississippi Code of 1972 as amended, if any, as far as this section restricts the right of Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Property as a whole, regardless of how it is described. From the proceeds of the sale, Trustee shall first pay all costs of the sale including reasonable compensation to Trustee; then the indebtedness due Lender by Borrower, including accrued interest and attorney's fees due for collection; and then, lastly, any balance remaining to Borrower. Trustee shall execute a conveyance to the purchaser in fee simple, and deliver possession to the purchaser, which the Borrower binds himself shall be given without obstruction, hindrance or delay.

The owner of any part of the indebtedness hereby secured may become the purchaser at any sale under this conveyance.

If the notes or other obligations secured hereby are placed in the hands of an attorney for collection, by suit or otherwise, or to enforce their collection by foreclosure or to protect the security for their payment, the Borrower will pay all costs of collection and litigation, together with an attorney's fee as provided in said notes, or, if none is so provided, a reasonable attorney's fee, and the same shall be a lien on the premises herein conveyed and enforceable by a sale of the property as herein provided.

The proceeds of any sale shall be applied as follows: first, to the payment of the expenses of making, maintaining and executing this trust, the protection of the property including the expense of any litigation and attorney's fees, and the usual commissions to the Trustee; second, to the payment of the indebtedness herein secured or intended so to be, without preference or priority of any part over any other part, and any balance of said indebtedness remaining unpaid shall be the subject of immediate suit; and third, should there be any surplus, the Trustee will pay it to the Borrower or his assigns. In the event of the death, refusal, or of inability for any cause, on the part of the Trustee named herein, or of any successor trustee, to act hereunder, or for any other reason satisfactory to the owner of the said indebtedness, the owner or owners of the majority of the outstanding indebtedness aforesaid are authorized either in their own name or through an attorney or attorneys in fact appointed for the purpose by written instrument duly registered, to name and appoint a successor or successors to execute this trust, such appointment to be evidenced by writing, duly acknowledged; and when such writing shall have been registered, the substituted trustee named therein shall thereupon be vested with all the right and title, and clothed with all the power of the Trustee named herein and such like power of substitution shall continue so long as any part of the indebtedness secured hereby remains unpaid. The Borrower, for himself, his heirs, representatives, successors and assigns, covenants and agrees that at any time after default in payment of any of the indebtedness hereby secured, or upon failure to perform any of the covenants to be kept and performed by him, said Trustee may enter upon and take possession of said property and collect the rents and profits therefrom with payment of such to the Trustee after default being full acquittance to the tenant, but the Trustee shall be required to account only for the net rents received by him and from and after the conveyance of said property under this Deed of Trust, the Borrower and all persons under him shall, at the option of the purchaser, be and become the tenants at will of the purchaser, at a reasonably monthly rental, commencing with the date of delivery of the Trustee's Deed.

All of the indebtedness secured hereby shall become immediately due and payable without notice at the option of the owner of any part of such indebtedness in the event of the sale, transfer, conveyance, further encumbrance, or any change in the title, legal or equitable, of the above described real estate or any part thereof subsequent to the date hereof if made without the express prior written consent of the holder of the note described herein except where such transfer or change in the title has resulted from the Borrower's testamentary disposition of such real estate or

from the descent of such real estate to the heirs of the Borrower, should he die intestate.

Borrower, without first obtaining the written consent of the holder of the note described above, covenants that he shall not (i) assign or grant any security interest in the rents to be derived from leases of the property or any part thereof or improvements thereon nor (ii) consent to the cancellation, surrender, or modification of any lease of the premises.

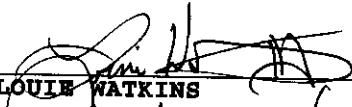
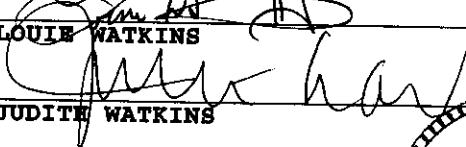
In the event that more than one Trustee be named herein, any one of such Trustees shall be clothed with full power to act when action hereunder shall be required, and to execute any conveyance of said property. In the event that more than one Trustee be named herein and the substitution of a trustee shall become necessary for any reason, the substitution of one trustee in the place of those or any of those named herein shall be sufficient. The term "Trustee" shall be construed to mean "Trustees" whenever the sense requires. The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond, is expressly waived.

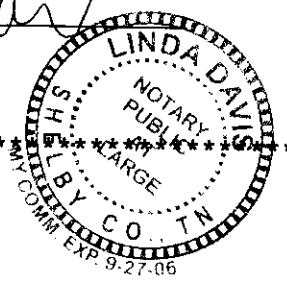
No waiver by the Trustee or by the holder of the note or the owner of the indebtedness secured hereby shall be construed as a waiver of a subsequent similar default or any other default by the Borrower.

The singular number may be construed as plural, and the plural as singular, and pronouns occurring herein shall be construed according to their proper gender and number, as the context of this instrument may require.

Louie Watkins as set forth herein is one and the same person as Louie Watkins, III.

IN WITNESS WHEREOF, the Borrower has executed, or has caused to be executed, this instrument on the day and year first above written.


LOUIE WATKINS

JUDITH WATKINS

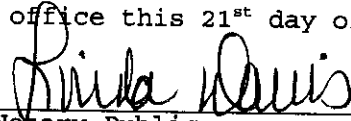


ACKNOWLEDGEMENT - NATURAL PERSONS (S)

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared Louie Watkins and wife, Judith Watkins, to me known or proved to me on the basis of satisfactory evidence to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal at office this 21st day of October, 2005.


Notary Public

My Commission Expires:

(RECORDING DATA ONLY)

DEED OF TRUST
(TENNESSEE)

Property Address:

7547 Ally Cove
Walls, MS 38680

Mail Tax Bills to: (Person or Agency
responsibility for payment of taxes)
Louie Watkins, III and Judith Watkins
7547 Ally Cove
Walls, MS 38680